

## MEMORANDUM OF UNDERSTANDING

Subject to ratification by UNITE HERE! Local 2 membership, as provided for in its Bylaws and Constitution, this Memorandum of Understanding ("MOU") is a final agreement by and between UNITE HERE! Local 2, affiliated with UNITE HERE! International Union (hereinafter referred to as the "Union") and the San Francisco Marriott Marquis, Courtyard Marriott, Marriott Union Square, W Hotel, St. Regis Hotel and Westin St. Francis Hotels (hereafter, "The Hotels"). The following modifications and amendments will be made to the Agreement that expired on August 14, 2018 and shall be in effect for the term of the new Collective Bargaining Agreement in effect between these parties unless other effective dates or a different duration is provided for particular sections of the agreement as stated below or in the underlying agreement. All contract section references are to the 2013-2018 "Red Book" unless otherwise noted.

- I. **Immigration (Section 11: Change of Status / Immigration, new "q")**

(q) If an employee obtains appropriate work authorization within five (5) years after losing work authorization status solely as a result of changes in DACA, DAPA or TPS status, the employee must provide documentation of work authorization and return to work within six (6) months after obtaining it or forfeit the leave provided in this subsection. The reinstated employee will displace the least senior employee in the employee's former job classification until the next schedule bid when they may utilize their former frozen seniority in that classification. An employee will not accrue vacation or the other benefits based upon particular Plan policies during such absence.
  
- II. **Employee Safety (Hotel Service Department, Section 2 Room Cleaners, new Section "q"; Dining Room Department, Section 17 Room Service, new "I")**
  1. The Employer shall provide a safety alarm to each employee assigned to work in a guest room without other employees present, at no cost to the employee. Each employee shall be required to carry the device with him or her at all times when working and to utilize such device when he or she believes there is an ongoing crime, harassment, or other emergency in the employee's presence. The devices shall be able to summon immediate on scene assistance to their location from another employee or security guard. The purpose of this section is to protect employee safety. The device may not be used to track or discipline for productivity-related issues. The employee in danger may cease work and leave the immediate area where the incident occurred to await the arrival of the employee or security personnel responsible for providing immediate assistance. Such systems shall be installed in the Hotel no later than the end of the 2019 calendar year.



2. The Hotel shall record an accusation that a guest has made an unwanted sexual advance, request for sexual conduct, or other verbal or physical conduct of a sexual nature towards an employee or towards another guest of the establishment, including the name of the guest. The Hotel shall inquire for the name of the guest if that information is not included in the initial notice to the Hotel. If the Hotel is unable to learn the name of the guest, the Hotel shall learn and record as much identifying information about the guest as is reasonably possible. The Employer shall maintain a list of all guests so accused for at least five (5) years from the date of the most recent accusation against the guest. Guest as used throughout this section means registered guest, others occupying guest rooms with registered guests, and visitors invited to guest rooms by a registered guest or other occupant of a guest room. Upon request, the Hotel shall reassign the employee to a different floor or work area away from the guest for the entire duration of the guest's stay.

If the Employer learns that any guest on the list is staying at the hotel, the Employer shall notify the Union and any housekeeper, room server or any other employees assigned to work in this guest's room of the same prior to the start of their scheduled shift, and shall warn the employees to exercise caution when entering that designated room during the time the guest is staying at the Hotel. The Employer reserves the right to assign a non-bargaining unit employee to service the room.

3. Upon receipt of an allegation of sexual assault or other criminal conduct by a guest against an employee, the Hotel shall promptly contact local law enforcement with jurisdiction, immediately notify the employee that law enforcement has been contacted, that he or she may be asked to provide a statement, and that they have a right to decline to do so, and provide the employee with sufficient paid time to provide a police statement, and shall fully cooperate with any investigation into the incident undertaken by the agency.

4. When an allegation of sexual assault or criminal conduct by a guest against an employee is supported by a police report and statement made by such employee under penalty of perjury, the Hotel shall inform the guest that he or she is prohibited from returning to the Hotel, and shall maintain such prohibition for at least three (3) years from the date of the incident alleged in the statement.

5. There shall be no retaliation against any employee for seeking to enforce his or her rights under this section by any lawful means or for otherwise asserting rights under this section.



**III. Neutrality (Section 5 Hiring, new "s")**

(s) In the event that the Hotel becomes subject to a state or federal right to work law, the Employer agrees to remain neutral with respect to any of its employees' or prospective employees' decisions regarding membership in or support for the Union. The Employer, its supervisors, managers and other agents will not take any action or make any statement that directly or indirectly states or implies any opposition to Union membership or to the selection or maintenance of the Union as the employees' collective bargaining representative, and will not encourage or assist employees either directly or through third parties to terminate Union membership, revoke dues checkoff authorization or invoke any right to reduce financial support to the Union. The Employer will inform any employee who inquires about Union membership or support that the employee should contact the Union.

**IV. Pregnancy Accommodation (Section 16 Pregnancy Disability, new paragraph)**

If an employee so requests, and consistent with both the employee and employer's obligations under applicable law, the Employer shall provide a reasonable accommodation related to such employee's pregnancy, childbirth, or related conditions, including but not limited to the need to express milk for a nursing child. "Reasonable accommodation" may include, but not be limited to, more frequent or longer breaks, time off to recover from childbirth, temporary transfer to a less strenuous or less hazardous position, job restructuring, light duty, additional break time, reduction in room assignments, private non-bathroom space to express breast milk, assistance with manual labor and modified work schedules. Any time off provided as a reasonable accommodation will run concurrently with any protected leave the employee is otherwise entitled to take for the condition under applicable law.

**V. Orientation (Section 5 Hiring, add new paragraph to "p")**

Upon request by the Union, Union representatives shall be afforded the opportunity to meet with new hires for thirty (30) minutes during the new employee orientation session, or within the first thirty (30) days of employment if the Employer does not hold an orientation session within that time frame, without Employer representatives present. The Union shall provide advance written notice of any Union representatives designated to conduct such session. New hires participating in the session will be on paid time. The Union shall not make any disparaging comments about the Employer during such sessions.



**VI. Other Modifications to Red book**

- A. **Other Funds:** Amend existing contribution reallocation provision to include the Education Fund. (*Section 24 Health and Welfare and Pension, 25.5, add to Child Elder and Legal*)
- B. **Modify Section 9 “No Discrimination”** to include gender identity.
- C. **Delete Section 16(j) “Safety and Health”**- Subcommittee not in existence; no longer applicable
- D. **Delete Section 1(d)9 “Pilot Project”**: language obsolete
- E. **Modify Section 7(d) “Posted Job Vacancies”** to read as follows:
  - (d) The Employer reserves the right to withdraw the posted job vacancy and to be the sole judge, and consistent with its obligations under Section 6 above, of an applicant's qualification for filling a job vacancy.
- F. **Term:** 8/14/18 thru 8/14/22
- G. **Successorship:** Parties meet within 30 days following ratification to reconcile the existing successorship documents.
- H. **Modify Section 12 “Grievance Procedure”** to read as follows:

**Step 3.**

- (a) If the grievance is not satisfactorily resolved at Step 2, the Union may file a written request for a Grievance Mediation hearing within seven (7) days of the Step 2 response. If there is no response from management under Step 2, the Union shall have ten (10) days from the date of the Step 2 meeting to submit the written request. The written grievance shall set forth the facts giving rise to the dispute including the date and person(s) involved and designate the grievance as well as the remedy sought.
- (b) The Grievance Mediation shall be held within sixty (60) calendar days of the written request subject to mediator availability.
- (c) The Grievance Mediation shall consist of two (2) management representatives and two (2) union representatives plus a neutral mediator who shall act as Chairman and who shall mediate the dispute in an attempt to have the parties reach a settlement. The manager



involved in the incident or circumstances giving rise to the dispute should be present at the Grievance Mediation.

(d) The Grievance Mediation shall be governed by the following rules:

1. The grievant shall have a right to be present at the Grievance Mediation.
2. Each party shall have one (1) principal spokesperson.
3. Outside lawyers or consultants shall not participate in a Grievance Mediation.
4. Any documents presented to the mediator shall be returned to the respective parties at the conclusion of the hearing.
5. Proceedings shall be informal in nature. The presentation of evidence is not limited to that presented at earlier steps of the grievance procedure. The rules of evidence shall not apply and no formal record of the Grievance Mediation shall be made.
6. The mediator shall have the authority to meet separately with any person or persons but will not have the authority to compel a resolution of a grievance.
7. If no settlement is reached, the mediator shall provide the parties with an immediate written advisory decision, if the practice is permitted.
8. The mediator shall state the grounds for his/her advisory decision.
9. The Grievance Mediation shall have no power to alter or amend the terms of the Collective Bargaining Agreement.
10. The cost of the mediator shall be split between the Hotels and the Union, if the parties mutually agree to a paid mediator.

(e) As an alternative, by mutual agreement in advance of the Grievance Mediation hearing, the neutral fifth (5th) person may be designated a mediator/arbitrator who will attempt to mediate the dispute. In the event a mediated settlement cannot be reached, the decision of the mediator/arbitrator shall be binding on both parties.



(f) The parties may, by mutual agreement prior to the Grievance Mediation hearing, agree that the case may be heard without a neutral fifth (5th) person.

(g) Grievance Procedure for Employer/Union. The Employer and/or the Union shall be free to file grievances as described in (a) hereof directly with the other party. The initial consideration of such grievances shall commence with the Hotel Grievance Mediation as provided for in Step 3.

**VII. Modify General Rules Section 1(d)3 "Extra List Workers" to read as follows:**

3. Extra List Workers: On a hotel by hotel basis, after ratification, the Union and each hotel shall by mutual agreement determine for which classifications (excluding those classifications listed in #1 above) extra lists will be created. Extra lists that are already in place shall continue as modified below. Employees currently on a hotel's extra list shall have the right to keep their place on said lists, except where an employee is on more than one list at a given hotel. Such employees shall have to choose which list they will remain on. Extra List employees are allowed to be on only one list and work in only one classification at a given hotel.

Such lists shall be arranged in seniority order. The seniority order shall be determined by an individual's placement on an extra list as established after the 1999 contract negotiations, (i.e. the order on a current list shall be the seniority order with individuals added thereafter assigned according to their hire date.). The creation of a new extra list and the seniority of such list shall be by mutual agreement.

Consistent with Section 5. Hiring (c) and (d) of the CBA, Extra List employees must show proof of current Union affiliation (union member stamp book, dues deduction on a pay stub or dispatch slip) in order to be on an extra list and work at a given hotel. Such employees shall be required to complete Union membership application forms within 30 days of commencing employment. If after 30 days an extra list employee has not done so, the Union shall notify the hotel that the employee is not in compliance with this agreement. After two (2) days (excluding weekends or holidays) from receipt of notice, if such employee has not complied with this section, he or she shall be promptly removed from the schedule pending notice from the Union that the employee has made arrangements to become current in their dues.

Hotels using Extra List employees shall maintain one list per job classification. The number of persons on an Extra List will be determined by the hotel's business needs consistent with the provisions



of the CBA. The application process shall be the standard hiring process at a given hotel.

**VIII. Modify Section 12(c) "Step 4. Arbitration"** to replace Charles Askin with Norman Brand. The Parties will agree to meet within 90-days of ratification to identify up to three (3) additional mutually acceptable arbitrators.

**IX. Modify Section 24.1 "Eligibility" (a) & (b)** to read as follows:

(a) All employees who have worked regularly three (3) hours or more per day, five (5) days or more per week, in at least three (3) weeks of the month immediately preceding the first day of the month for which contributions are due.

(b) All employees who are regularly scheduled for and work two (2) full shifts (a "full shift" is defined as six or more hours) or more per payroll week, in at least three (3) weeks of the month immediately preceding the first day of the month for which contributions are due.

**X. Modify General Rules Section 1(d)6.2 "Extras Become Regulars"** to read as follows:

(2) Qualifying for Benefits: Extra employees on hotel lists qualifying for health insurance and pension benefits for 6 months in a 12-month period based upon their work on one single Extra List at one hotel shall become a regular employee in that classification at that hotel, effective the first of the month following the sixth qualifying month, provided that extra employee desires to become a regular.

**XI. Modify Section 13(f) "Discipline"** to read as follows:

(f) If the report of a "spotter" agency is used as a basis for any discipline involving cash handling, the agency involved must be duly licensed in the State of California. Any disciplinary action shall take place within five (5) days of the receipt of the complete "spotters" report excluding Saturdays, Sundays, holidays, vacations, sick leave, leave of absence, or other authorized leave. The Union shall be provided a complete, un-redacted copy (excluding proprietary information and names of non-bargaining unit employees, except where relevant to the incident that gave arise to discipline) of the full spotter's report.

**XII. Modify Section 13 (a) Discipline** to provide for four (4) days to issue discipline.



**XIII. Vacation Pay (Section 12.2 Vacations (f))**

Vacation pay for non-tipped workers shall be paid at the current hourly rate.

**XIV. Leave Sharing (Section 14 Leave of Absence, add new "o")**

(o) Employees may participate in Marriott's Leave Sharing Program under the same terms and conditions as the Program is available to all other Marriott employees, when such Program becomes available to SPG hotels in 2019. Employer reserves the right to modify, discontinue or otherwise make changes to this Program without an obligation to bargain with the Union.

**XV. Worker Training & Re-employment (Section 3 Job Security, add or replace "b")**

It is in the mutual best interests of the Union and the Employer to safeguard the economic well-being of bargaining unit employees affected by layoffs due to changes in business operations by preserving their jobs and work opportunities, and to create a pool of skilled workers available for placement in other or newly created positions at facilities owned and/or operated by the Employer. Therefore, Section 3 shall be amended to provide for the following:

- A. Worker Rehire and Retraining List: The Union will create and maintain a Worker Rehire and Retraining List, populated by employees who have been permanently laid-off from bargaining unit positions and prospective employees who have completed Education Fund classification training.
- B. In the event the Employer implements any permanent layoffs of bargaining unit employees, the Employer will provide to the Union the names of each all such affected employees, their company seniority and classification seniority (as defined in Paragraph D below), their current address and phone number, and any other information the Union may request. Such affected employees will be placed on the Worker Rehire and Retraining List.
- C. Severance: Except for employees permanently laid off due to technology, employees involuntarily and permanently laid off shall be offered a severance agreement with two options:

**Option 1:** \$3000.00 per year of service, with 12 months of both Welfare and Pension contributions and no recall rights.



**Option 2:** \$1500.00 per year of service, with 12 months of both Welfare and Pension contributions and 24 months of recall rights.

The Worker Training and Re-employment Provision will not cover employees who accept severance Option 1. Employees who accept severance Option 2 will be placed on the Worker Rehire and Retraining List.

Employees displaced by technology will be covered by the terms of the national technology agreement, and will not be covered by the Worker Retraining & Re-employment Provision during the 24-month job search period provided for in section (v) of that agreement. If, after that 24-month period an employee is permanently laid-off pursuant to section (xi) of that agreement, the employee will be offered a severance agreement with two options:

- a. \$2500 per year of service, with 6 months of health insurance coverage and no recall rights or
- b. \$1500 per year of service, with 6 months of health insurance coverage, and participation in the Worker Rehire & Retraining List as provided below.

**D. Job openings:**

When any regular position becomes available in a bargaining unit represented by UNITE HERE Local 2 within any hotel, restaurant, food and beverage outlet or other operation that is owned, operated, and/or managed by the Employer within the San Francisco Bay Area that cannot be filled through an in-house bargaining unit transfer pursuant to the provisions in the applicable collective bargaining agreement concerning the filling of vacancies, the Employer shall:

1. Notify the Union of such job opening within five (5) business days;
2. Fill such position with a worker referred to it by the Union from the Worker Rehire List.

Employees shall be referred to fill permanent vacancies under this provision by the following order of priority:

1. *By Company Seniority:* Employees on the Worker Rehire and Retraining List who have previously been employed by the employer requesting referral and have worked in the same classification, or same job by a different title, for which the referral is requested shall receive first priority for referral, by

Company Seniority, defined as an employee's total length of service in any operations conducted by the employer and its affiliates in the San Francisco Bay Area that are covered by a collective bargaining agreement with UNITE HERE Local 2, and not counting any period of time preceding a break of at least one year in continuous service for the employer and its affiliates.

2. *By Classification Seniority:* if no employees are available for referral by Group 1 above, employees who have worked in the same classification, or substantially similar classification, for which the referral is requested for another Employer in the San Francisco Bay Area whose employees are represented by the Union shall have second priority for referral, by Classification Seniority, defined as an employee's total length of service in the classification most recently held by the employee in any operations conducted by the employer and its affiliates in the San Francisco Bay Area not counting any period of time preceding a break of at least one year in continuous service for the employer and its affiliates. An employee referred under this section who within 60 (sixty) days is deemed not qualified to hold the position, shall be returned to the Worker Rehire and Retraining List.
3. *By Classification Training date:* if no employees are available for referral by Groups 1 or 2 above, workers who have received a classification-appropriate training certificate from the Education Fund shall receive third priority for referral, in the order in which the training certificates have been issued. A worker referred under this section shall be subject to Section 5 Hiring.

An employee hired who was eligible for five weeks' vacation under their previous employer shall receive an additional week of vacation with their new employer at the beginning of their third year of employment for a total of five weeks (2 weeks in accordance with the CBA, 2 weeks of supplemental vacation from the Fund, and an additional week paid by the Employer.)

When any permanent position becomes available within any hotel, restaurant, food and beverage outlet or other operation not covered by a collective bargaining agreement, that is owned, operated, and/or managed by the Employer within the San Francisco Bay Area, the Employer may solicit referrals from the Union, using the same process above.

The Employer shall not be responsible or held liable for any referrals made by the Union that fail to comply with the stated order of Company Seniority, Classification Seniority, Classification Training.

**E. Training for laid-off employees:**

It is agreed that the Education Fund will provide training, job-placement, and any other assistance (including economic assistance) deemed appropriate by the Fund trustees, to individuals who are on the Worker Rehire and Retraining List or who are hired from the Worker Rehire and Retraining List. Consistent with the parties' agreement on Technology, it is understood that training and coursework requirements related to technological change may be offered through the Education Fund.

**F. Effective Date:**

The effective date of this agreement will be two weeks after Local 2 enters into agreements that are substantially the same as this Agreement with two of the following three companies: Hilton, Hyatt or IHG.

**XVI. Third Party Food Deliveries (Dining Room Department, Section 17 Room Service, add new "I")**

The Employer shall not permit third-party food deliveries to guest rooms. This section shall not apply to the existing practice at the St. Regis, unless the Employer modifies or discontinues In-Room Dining.

**XVII. Grievance Mediation (4th St. and Courtyard only)**

- i. 4<sup>th</sup> Street: The union representatives shall, every six months, be permitted to choose four (4) grievances which shall be heard at the adjustment board level with a mediator.
- ii. Courtyard: The union representatives shall, every six months, be permitted to choose two (2) grievances which shall be heard at the adjustment board level with a mediator.

**XVIII. Industry Banquet Committee: (Section 22, Industry Banquet Committee)** Parties agree to raise cap to \$200,000. It is agreed that moving to the automation of the scheduling process will be a priority.

**XIX. Marquis Banquets Subcommittee: (Marquis only)** Parties agree to meet within 90 days of ratification to discuss banquet issues at the Marriott Marquis.

**XX. Food & Beverage Gratuities (Dining Room Department Section 10 Gratuities "g")**

Hotel agrees to 18% automatic gratuity on parties of 6 or more.

Hotel will include the 15% automatic gratuity on breakfast coupons in the CBA.

Within 60 days of ratification, the Hotel will add suggested gratuity percentages of 15/18/20 percent with corresponding dollar amounts above the signature line on guest checks for parties of 5 or less. The suggested amounts will be based on the full check amount (excluding taxes) before any coupons or other discounts are deducted.

**XXI. Quarter Century Club (no Red Book reference)**

Hotel will confirm in CBA the availability of the Quarter Century Club for bargaining unit employees, on the same terms and conditions as the benefit is available to all other Marriott associates on a national basis. The Employer may discontinue or modify this benefit without negotiation with the union so long as the benefit is modified or discontinued for Marriott associates on a national basis. The Union shall have no right to grieve this decision.

**XXII. Transportation**

In response to the transportation issues created by the construction on the BART system, the Employer proposes to create local hotel joint committees to identify the actual number of regular BART riders impacted by the change from a 3 am to 5:30 am open, to review transportation alternatives identified by the city, and to identify hotel specific solutions to include schedule adjustments, transportation or parking subsidies, shuttles or other transportation alternatives such as carpooling incentives.

It shall be the intent of the labor management committee to identify ways to accommodate workers for the inconvenience, which will result from the BART retrofit project on the Trans-Bay Tube.

**XXIII. Marquis Into Local 2 Welfare Fund**

Upon request by the Union after August 14, 2020, the parties shall re-open negotiations over employees changing from the Marriott healthcare plan to the union health care fund, provided that only



employees with 10 or more years in the union pension plan may be permitted to make such a change.

**XXIV. Housekeeping**

(a) Effective 8/14/2019, modify Section 2. Room Cleaners (red book), paragraph 3 as follows – replace (9) checkouts/2 room drops with (8) checkouts/2 drops – (same change to Section 1 (c) of Marquis/CTYD).

(b) Limits on “Choice” or “Green” Programs

Marriott may continue or implement the “Choice” or “Green” program in any hotel in San Francisco where housekeeping employees are represented by UNITE HERE, subject to the language for the CBAs shown below. Changes will be effective January 12, 2019.

(c) Language for CBAs:

The Employer shall supply housekeeping services to occupied guest rooms which are under the Employer’s Make a Green Choice (“MAGC”) or similarly named program no less often than every third (3<sup>rd</sup>) day, for example, Sunday check-in, a room attendant will be assigned to clean the room on Wednesday. Housekeepers cleaning a room under this program which has not received housekeeping service for two (2) or more consecutive preceding days shall receive 1.25 times the ordinary credit for the type of room being cleaned. The 1.25-time credit is intended to reduce one (1) room from base quota for every four (4) MAGC rooms cleaned; no partial credit is intended.

Effective August 14, 2020, Housekeepers cleaning a room under this program which has not received housekeeping service for two (2) or more consecutive preceding days shall receive 1.33 times the ordinary credit for the type of room being cleaned. The 1.33-time credit is intended to reduce one (1) room from base quota for every three (3) MAGC rooms cleaned; no partial credit is intended.

**XXV. Arbitration of Post Expiration Grievances:**

Hotels agree to arbitrate post-expiration grievances consistent with the CBA timelines (time limits tolled during the period October 4, 2018 through December 3, 2018).

**XXVI. Economics**

1. Annual Allocations and Increases:



Year 1 (August 11<sup>th</sup> in year 1 and closest Saturday to August 14<sup>th</sup> for each subsequent year of the CBA):

- Health Fund - \$50 per month (effective with September contributions / August hours)
- Pension Fund - \$25 per month (effective with September contributions / August hours)
- Wages - \$1.75 Non-tipped/\$1.00 Tipped
- Bell/Door - \$1.25 in addition to non-tipped increase
  - Non-tipped increases through the end of the contract, with the understanding that the non-tipped increases will end at the conclusion of the agreement.
  - The vacation rate will be two times the San Francisco minimum wage rate.
- Busser – \$1.25 in addition to the non-tipped increases.

Year 2

- \$1.45 Package (Total sum to be allocated by Local 2 for all wage and union benefit fund increases, except for additional Pension, Bell/Door and Busser increases provided for below).
- Bell/Door - \$1.25 in addition to non-tipped increase
- Busser - \$1.25 in addition to non-tipped increase

Year 3

- \$1.45 Package (Total sum to be allocated by Local 2 for all wage and union benefit fund increases, except for additional Bell/Door increases provided for below).
- Modify Section 9(a) of the Dining Room Department as follows: increase the service charge for banquets to 75% of 20%
- Bell/Door - \$1.00 in addition to non-tipped increase
- Busser – return to tipped increase

Year 4

- \$1.05 Package – 8/14/21 (Total sum to be allocated by Local 2 for all wage and union benefit fund increases).
- \$.50 Package – 3/13/22 (Total sum to be allocated by Local 2 for all wage and union benefit fund increases, except Pension and Bell/Door increases provided for below).
- \$80.00 to Union Pension, effective for March 2022 contributions.
- Bell/Door – Non-tipped increase



- The Union shall allocate the following package increases for that year to hourly wage rate increases and benefit fund contribution increases in its sole discretion, but may not allocate to any fund to which the Employer has not agreed to contribute:

08/17/19	08/15/20	08/14/21	03/13/22
\$1.45	\$1.45	\$1.05	\$0.50

- The dollar amounts of the package increases shall not be altered by time-weighting of the effective dates of the allocations made by the Union.
- For purposes of allocation of the total economic package increases, the following monthly contributions shall be converted to cents-per-hour by dividing the monthly increase by 154. It is provided, however, that if the plan eligibility rules are changed to reduce the number of bargaining unit employees who are eligible to participate in the plan, then the parties shall negotiate whether the foregoing divisors should be adjusted to reflect the effects of the change(s). During said negotiations, all other provisions of this Agreement and the Successor Labor Agreement (including, but not limited to the no strike/no lockout provisions), shall continue in full force and effect.
- Eighty percent of the total bargaining unit hours are presumed to be worked by non-tipped employees and 20% by tipped employees. Tipped employees shall receive 50% of the wage increases received by non-tipped employees. The overall wage increase allocated by the Union shall be distributed to non-tipped and tipped employees in proportion to the 80% / 20% presumed hours, by dividing the amount of the overall wage increase by 0.9 to determine the non-tipped wage increase and dividing the resulting amount by 2 to determine the tipped wage increase.
- The Union shall advise the Employer of each allocation at least thirty (30) days prior to the effective date of the allocation, provided that if the Union's notice to the Employer is less than thirty (30) days, the Employer will not be excused from paying the increases as allocated by the Union unless there is actual prejudice to the Employer by the delay and then the Employer may be excused only for a period of time equal to the length of the Union's delay in giving notice.
- Each annual total economic package increase to be committed by the Employer as set forth herein is an absolute maximum. Notwithstanding any change in applicable law or in conditions or circumstances, whether contemplated by the parties or not, including

but not limited to changes in circumstances relating to the implementation of or modifications to applicable laws regulating health care or benefit fund funding requirements, the amount of the annual total economic package increase shall not exceed the amounts set forth above, or otherwise provided for in this MOU.

8. In no event shall any provision in a Labor Agreement, Successor Labor Agreement, Memorandum Agreement, Side Letter or any other such agreement, including but not limited to any provision in any such agreement purporting to guarantee or ensure minimum or specified health and welfare or pension contributions or benefits or minimum reserve levels, result in an annual total economic package increase in excess of the amounts set forth above, or otherwise provided for in this MOU. Any and all such provisions shall be modified to ensure that the Employer receives the full benefit of this subsection.
  
9. The total economic package increase shall not be increased by any actions of the plans. Each annual allocation shall be subject to any required approvals of applicable Health and Welfare, Pension, or other benefit fund(s). In all circumstances in which a Benefit Fund requires contributions greater than those allocated by the Union (whether by operation of a Rehabilitation Plan, by law or otherwise), the additional required contribution shall be diverted from the wages of employees on whose behalf contributions to the funds are made or, to the extent permitted by law and by the applicable trust funds, from other Benefit Funds to which the Employer contributes pursuant to the Successor Labor Agreement. To the extent that the implementation of this Agreement would result in the Employer failing to comply with minimum contribution or funding requirements or other requirements of a Benefit Fund, or any legal requirement relating to any of the Benefit Funds, or if for any reason any Benefit Fund refuses to accept the terms of this Agreement or the Successor Labor Agreement, the Union shall promptly take all necessary steps (including but not limited to agreeing to diversions from or reductions to wages) so as to permit the Employer to comply with all such requirements without any increase to any annual total economic package and without the Employer incurring any other costs or liabilities of any kind, provided that the Union shall in no event be responsible in whole or part for any pension fund withdrawal liability of the Employer unless the Employer's withdrawal is caused by a Benefit Fund rejecting the Employer's continued participation because the Union failed to allocate sufficient contributions to meet the Benefit Fund's standards.



**XXVII. Miscellaneous**

1. Union agrees to withdraw and seek the dismissal of all unfair labor practice charges filed with the National Labor Relations Board in connection with negotiations and/or strike.
2. M Lounge – If a resolution cannot be reached during bargaining, we will agree to mediation proposal.
3. Marriott agrees to raise at a later date its proposals on Bin 55 and Dual Employees.
4. The parties will meet within 120 days following ratification to discuss the Employer's proposed modification to Section 11, General Rules concerning Combination Work. Any agreement reached shall be reduced to writing and shall modify the successor collective bargaining agreement accordingly. Should the parties not reach any agreements as a result of these discussions, the existing language in the successor collective bargaining agreement shall remain in effect.



## SIDE LETTER: Technology

(i) Technological change includes the use of automation, machines, computers, robots, software, tablets or other handheld devices that replace or substitute for or materially increase or decrease the type or manner of work performed by employees in the Employer's workplace.

(ii) UNITE HERE International Union shall form a Union Technology Committee (the "Committee," representing the International and Locals 2, 5, 8, 19, 24, 26, 30, 75, 2850 and such other locals as the Employer and the International mutually agree to). The Employer shall provide the Committee at least 30 days' notice before implementation of any plans to upgrade, modify, improve, or extend technology currently in use by bargaining unit employees that are made after the effective date of this Agreement at any hotel covered by a collective bargaining agreement with one or more of the foregoing local unions. The Employer shall provide the Committee at least 165 days advance notice prior to the implementation of any new technological change, occurring after the effective date of this Agreement, that replaces or substitutes for or materially increases or decreases the type or manner of work performed by employees in the Employer's workplace, at any hotel covered by a collective bargaining agreement with one or more of the foregoing local unions.

(iii) With respect to the implementation of new technology and subject to appropriate confidentiality agreements, the Employer shall explain to the Committee the intended function of the new technology, the nature of the technology and who will develop it, the timing of its planned implementation, and the expected work needed to implement the technology and keep it running, and where available shall share prototypes. If the Committee requests to bargain, it must do so within fifteen (15) days of the Employer's notice and shall include any information requests with such notice. The Employer shall promptly negotiate the impact of the new technology on the bargaining unit employees and the work they perform. Upon notice of a demand to negotiate, the process shall be governed by the following rules:

1. Information: The Employer shall provide any information requested by the Committee within twenty (20) days of receipt of the notice. The Committee shall be afforded up to thirty (30) days, following receipt of requested information to meet with affected employees.
2. Negotiation: At the conclusion of the initial information gathering period, the parties shall meet over the following fifty (50) days in an attempt to reach a resolution.



3. Mediation: Should the parties fail to resolve the issue within fifty (50) days from when the negotiation period opens, either party may request the services of a federal mediator.
4. The Employer shall not implement any technology during such negotiations, but the Employer shall have the right to implement the technology upon the expiration of this 165-day period. The Employer shall not implement any technology unless the Employer has carried out these duties to the Committee.

(iv) This notice and negotiation process shall be the sole and exclusive procedure for resolving disputes over the implementation of new technology. Any disputes arising out of this process shall be subject to the grievance and arbitration process under the applicable collective bargaining agreement covering the affected employees. The arbitrator, however, shall have no authority to order any particular outcome to the bargaining process.

(v) Any employee displaced due to technological change shall be entitled to recall to the classification from which the employee was displaced for 24 months following the date of displacement and to preference for other job openings at the hotel where the new technology is implemented in or out of the bargaining unit, after all other preferences possessed by incumbent employees at the hotel have been exercised but before new employees are hired, provided the employee is qualified for the position or can be qualified in a reasonable period of time with adequate training provided by the Employer. Preference in hiring also will be given to any employee displaced due to technological change, who applies for another position for which he or she is qualified, at other Marriott-operated hotels or condos subject to a collective bargaining agreement with a UNITE HERE affiliate and within the same State as the hotel from which the employee was displaced.

(vi) The Employer and Marriott International shall make all non-supervisory job postings electronically accessible to employees laid off under this subsection and to the Committee to assist employees in their job searches.

(vii) While employees are waiting for an offer of a permanent position, the Employer shall offer all available extra work within their classification to them in order of classification seniority.

(viii) If an employee displaced under this subsection is recalled to (A) another position within the Union's bargaining unit at the hotel, the employee shall retain his or her house seniority and continuous service for vacation purposes, or (B) to a position outside the bargaining unit represented by the Union, continuous service with the Employer shall be recognized for vacation/PTO and health insurance purposes. If an employee displaced by technological change is hired into a new position at other Marriott-operated hotels or condos subject to a collective bargaining agreement with a UNITE HERE affiliate and within the same State as



the hotel from which he or she was displaced, the provisions of that hotel's collective bargaining agreement shall apply.

(ix) No employee who has completed his or her probationary period and is recalled pursuant to this subsection shall be required to complete a new probationary period but if the employee cannot perform satisfactorily the work on the shift or station to which recalled he or she may transfer or be transferred back to layoff status within thirty (30) days after his/her date of recall.

(x) The Employer shall continue to make contributions to the applicable health insurance plan for any employee displaced as a result of the implementation of new technology, at the minimum level necessary to maintain existing benefits under the applicable health plan for six (6) months following the date of displacement.

(xi) If an employee displaced under this subsection who is represented by Locals 8, 19, 24, 26 or 30 elects not to seek another position with the Employer at the outset of the displacement or is not offered another position during the 24-month job search period, he/she will be permanently laid off and offered the opportunity to execute a severance agreement to include a payment equal to one week of pay for every year of service, subject to all legally required taxes and withholdings and a general release of claims. This paragraph does not affect severance arrangements between the Employer and Locals 2, 5, 2850.<sup>1</sup>

(xii) If technological changes reduce the duties of a classification without eliminating them, the classification shall continue to exist, but the Employer may adjust staffing levels, full or part-time status, or after bargaining with the Union the Employer may consolidate existing classifications or distribute the remaining duties to other bargaining unit classifications. If new technology performs functions previously performed by bargaining unit employees and requires human operation of machines, the machines shall be operated by bargaining unit employees and the Employer shall train employees in the affected classification to operate new technology. If the machines used by bargaining unit employees require daily maintenance to ensure the continued operation, then bargaining employees will be trained to perform the work, unless such work is of the kind typically performed by other bargaining units or the Company's IT department. The Employer may limit training to those employees who volunteer to be trained. Training opportunities shall be offered in accordance with house seniority among those in the affected classification. The Employer shall allow up to two (2) Union representatives to be present to observe the training but to not participate in it. If operation requires a level of skill which may practically be obtained only through academic study, and

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<sup>1</sup> The parties agree that the existing severance amount between Marriott and Local 2 is \$2500 for every year of service; between Marriott and Local 2850 is \$1300.



the necessary courses are offered at educational institutions in the county where the hotel is located, the Employer shall pay the tuition and fees, of an employee taking such coursework, up to maximum amounts agreed to between the Employer and the Committee. The hotel shall not be obligated to pay for the time employees spend in the coursework. If an employee completes the coursework successfully (average grades of at least "C") the Employer shall offer the employee the work of operating the machine(s) associated with the employee's former job functions. Such offers shall be for the next available position performing this work following the employee's completion of this coursework.

(xiii) The effective date of this Agreement will be two weeks after UNITE HERE International and/or Locals 2, 5, 8, 19, 24, 26, 30, 75, or 2850 (collectively "Union") enters into Technology agreements substantially the same as this Agreement with two of the following three companies: Hilton, Hyatt or IHG.



**SIDE LETTER: Food and Beverage Operations** (or add to existing Food & Beverage Operations (Section 21 Joint Study Teams or Section 20 Relations))

The parties shall establish a subcommittee at each Hotel to discuss and make recommendations to improve the efficiency and competitiveness of its food and beverage operations.

If the parties are unable to reach an agreement in the subcommittee, the Employer may propose modifications to Hours and Overtime, Lateral Service, Position Consolidations or Eliminations, as well as Wages, Health, Welfare and Retirement benefits for employees in the food and beverage operation. This process also applies to changes in the mix of food and beverage offerings in the hotel (except banquets), which includes converting a space to a substantially different operation or shifting food and beverage availability from one space to another in generally contemporaneous changes, but not to include the complete closure of an outlet without any substitution of service. The Employer shall submit its proposal to the Union in writing at least ninety (90) days in advance of its proposed effective date and offer to bargain with the Union over the proposal.

If at the end of that 90-day period, the Parties have not reached an agreement, the Union shall have the right to strike after notification by the Employer of its intent to implement its final proposal. The Union's decision to strike and the Employer's decision to implement its final proposal shall be made within thirty (30) days after the expiration of the 90-day period. If the Employer decides to implement its final proposal it will not include the elimination or replacement of any union Health, Welfare and Retirement benefit plans.

**Available Space** (Include in F & B Side Letter of Add New Sub-Section to existing F & B provisions)

This section shall apply to two pilot food and beverage outlet projects; one in Boston and the other selected by mutual agreement of Marriott and UNITE HERE International Union within 90 days of the ratification of this agreement. Marriott shall identify the spaces within each hotel suitable for development. During or after the development phase of these outlets, Marriott may decide to apply this section to four additional outlets in hotels in cities within the jurisdiction of the locals set forth above. Marriott may select the specific locations provided that no two locations may be in the same local union's jurisdiction unless the second location is mutually agreed by Marriott and UNITE HERE International Union. Construction of the four additional outlets may not begin before the full public opening of both of the first two pilot outlets. At Marriott's request, UNITE HERE International Union will review with Marriott the experience of the pilots and will entertain any proposal Marriott may make to apply this section to additional locations. The parties agree that none of these initial six outlets will be opened at Marriott-managed properties on Kauai or Waikoloa.



Notwithstanding any other provisions of this Agreement, the Hotel also may choose to open and operate food and beverage outlets in any available space within the Hotel, including any space previously but not currently operated as a restaurant or bar, employing bargaining unit employees. The intent of this provision is not to permit the closing of existing outlets to be replaced with other outlets during the term of this collective bargaining agreement.

Such employees will only be able to participate in the Employer's medical and retirement plans on the same terms and conditions and same eligibility requirements as such plans are available to similarly situated hourly employees in the Hotel, subject to the plan documents, rules and administrative procedures as may be amended from time to time by the Plan Administrator. Notwithstanding the above, if employees in the UNITE HERE bargaining unit at the Hotel participate in a defined benefit pension plan sponsored by the Union, the employees of the outlet shall participate in the same plan, provided that the Employer shall not be required to make pension plan contributions on behalf of any employee newly hired into the outlet during the first two years of employment. At the end of the employee's second year, the employee will have a one-time choice on whether to continue with the Employer's retirement plan or to begin to participate in such pension plan. Any changes made to these Marriott plans, which are applicable to all similarly-situated hourly employees shall not be subject to negotiation with the Union or to the grievance and arbitration process. The Hotel shall also have the right to establish positions/classifications, including consolidated positions/classifications, accompanying job descriptions, and lateral service requirements for the outlet's employees. Initial wage rates will be subject to negotiation. Additional terms and conditions specific to the outlet and consistent with the parties' interest in maintaining an efficient and competitive operation will be subject to negotiation. All terms and conditions specific to the outlet shall be included in an addendum to the CBA.



**SIDE LETTER: Food & Beverage Outsourcing**

Upon request by the Union, the Employer shall meet to review food products outsourced in the kitchen. It shall be the intent of the parties to produce high quality, fresh food items in-house. Further, no current bargaining unit positions shall be supplanted or eliminated as a result of outsourcing food products without the agreement of the Union. The Employer shall not be obligated, except by mutual agreement, to eliminate, reduce or bring back in-house any current food product outsourcing existing as of the date of this Agreement. Nothing in this Agreement is intended to undermine or contradict the food and beverage agreement, dated October 31, 2018.

A handwritten signature in blue ink, consisting of a stylized 'R' and 'O' above a cursive 'm'.

**SIDE LETTER: San Francisco Minimum Wage Ordinance Waiver**

Effective July 1, 2019, and each July 1<sup>st</sup> thereafter for the life of this Agreement, the parties expressly and affirmatively waive the San Francisco Minimum Wage Ordinance through the annual allocation on August 14<sup>th</sup>. The Union then has the option on August 14, 2019, and each August 14<sup>th</sup> thereafter for the life of this Agreement, to allocate the necessary funds to meet the requirements of the San Francisco Minimum Wage Ordinance or the waiver remains in full force and effect until the next August 14<sup>th</sup>.




SIDE LETTER: Bussers


Notwithstanding the provisions of sub-section XXVI(1) of this Agreement, bussers at the W San Francisco will receive non-tipped increases plus \$1.25 in year one, effective August 11, 2018, and tipped increases thereafter until the city-wide busser rate equals their rate of pay.

IN WITNESS WHEREOF, the parties hereto by their duly designated representatives have hereunto set their hands.

MARRIOTT INTERNATIONAL, INC.

UNITE HERE LOCAL 2

By: 

By: 

Its: Senior Director, Labor

Its: President

Date: 2/25/19

Date: 2/26/19

